April 26, 2016

United States Senate Special Committee on Aging Washington, DC 20510-6400

Dear Chairman Collins and Ranking Member McCaskill,

On December 9th, 2015, I had the honor of providing testimony for the Senate Special Committee on Aging hearing titled, "Sudden Price Spikes in Off-Patent Drugs: Perspectives from the Front Lines." During that hearing, I noted that University of Utah Health Care had been adversely impacted when Valeant dramatically increased the prices of Isuprel® and Nitropress®. When we learned of the price increases, we estimated the additional cost impact to our organization would be approximately \$1.9 million.

Since then, our organization has worked hard to reduce the cost impact of Nitropress® and Isuprel® for our system. Despite implementing strategies to reduce use, we are spending just over \$640,000 per year for these 2 medications for our entire organization (see attachment). This represents approximately 2% of our inpatient pharmacy budget.

In October, 2015, Valeant noted in a <u>letter</u> to Ranking Member McCaskill that their company would be reaching out to hospitals that were impacted by the new pricing. To my knowledge, University of Utah Health Care did not hear from Valeant. I personally called Valeant in October of 2015 as well as in March of 2016 to see if better pricing was available for these products. In all cases, Valeant refused to talk to me about better contracted prices. Instead, Valeant directed me to discuss the price with our wholesaler. I contacted Amerisourcebergen who stated that they do not provide contracts or discounts on these products. Our group purchasing organization, Novation (now Vizient), does not have contracted prices for these products. It is important to note that Valeant does not manufacture Nitropress® and Isuprel® and therefore isn't reinvesting profits into improved manufacturing. These products have been manufactured for years by Hospira (now Pfizer).

Thank you for your efforts on this important issue. Please feel free to contact me if I can be of any assistance.

Best Regards,

Erin R. Fox, PharmD

Director, Drug Information Service University of Utah Health Care